

February 6, 1991 LB 81

CLERK: 25 ayes, 0 nays, Madam President, on the approval of the confirmation report.

PRESIDENT MOUL: The confirmation report is approved and the appointment is confirmed. We will proceed to General File, Mr. Clerk.

CLERK: Madam President, LB 81 is the first bill scheduled for discussion. It is a bill introduced by Senator Warner. (Read title.) The bill was introduced on January 10, referred to the Government Committee. The bill was advanced to General File. I have no amendments to the bill at this time, Madam President.

PRESIDENT MOUL: Thank you, Mr. Clerk. Senator Warner.

SENATOR WARNER: Mr. President and members of the Legislature, this bill is one that was like several we have had that was introduced last year and advanced to the floor and not gotten to. But, if you notice in the committee statement, it indicates, as the result of a Supreme Court decision some time ago and it dealt with a liability issue, that the Supreme Court found, in my opinion, in part erroneously but nevertheless found that where there were interlocal cooperation entities, in some cases, they were considered to be a state agency and the basis for that was that they could not elect their own body, which is true. They are appointed by usually from the local governments that are involved that they didn't levy taxes themselves, that was true. They also indicated that the Legislature set the budgets for some of these, which is not true. The state does contribute or appropriate funds but they do not set the total budget. In any event, by holding it the...in some instances these interlocal cooperations were state entities...or state agency, rather, that they also then said there was a state liability. And what the bill does, it just makes it clear that the liability should not be directed at the state when the state actually has absolutely no responsibility for the action of those interlocal government...interlocal cooperative agreements other than perhaps in some cases provide some of the funds. So it's a clarification. I think all of us would acknowledge that interlocal cooperations are essentially not a state agency, that they're local in nature. This clarifies...reduces the potential for exposure for liability for an activity in which the state does not have any direct control.